

# Florida Deepwater Horizon Response and Recovery Workgroup #2: Assessment of Programs and Resources to Meet Immediate Needs of Impacted Areas

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**Task:** To review the Federal and State oil spill response and:

- Evaluate the Federal and state programs and resources deployed in the impacted areas within Florida, determine the extent to which the response is meeting the needs of the impacted communities, calculate the budgetary impacts on state agencies, assess agency tracking of those expenditures, and meet with affected businesses and individuals to obtain an on-the-ground perspective of the immediate needs of those affected. Further, review and evaluate the state's response to the impact to the tourism industry in the affected communities and review the state and local tourism plans implemented.
- Determine if any additional interim measures should be considered to meet the short-term needs of those impacted by the disaster.

## Work Group Activities for Weeks 1 – 5

### **I. Week 5 (August 23-27)**

- a. Finish first draft.
- b. Begin editing and writing final draft.

#### *Summary of Week 5 Activities:*

State agency appropriations expenditures related to the oil spill were updated and posted on the [workgroup's resource page](#).

- Followed-up with various stakeholders such as Visit Florida, Panhandle tourism entities, BP, League of Southeastern Credit Unions, Gulf Coast Community Bank, Division of Emergency Management, Office of Economic and Demographic Research, Florida Fish and Wildlife Conservation Commission, Small Business Administration, Small Business Development Center Network, Agency for Workforce Innovation, and the Department of Health to answer questions and collect additional information.
- Finished first draft.
- Began writing and editing final draft

### **II. Week 4 (August 16-20)**

- a. Hold roundtable discussions in Tallahassee with agencies as needed for follow-up.
- b. Based on conference calls/meetings completed, begin compiling information gathered of state agency use and deployment of BP funds, and state agency use and

- deployment of current budget. Evaluate state agency future plans for expenditure and evaluate any gaps in response identified.
- c. Based on all the information gathered, determine whether further interim measures such as legislation (state or Federal), rule changes (state or Federal), further data collection, or another type of response is warranted to assist businesses and individuals in the impacted areas.
- d. Begin writing first draft of report.

***Summary of Week 4 Activities:***

State agency appropriations expenditures related to the oil spill were updated and posted on the [workgroup's resource page](#). The workgroup also participated in one conference call.

Information from the conference call may be found below:

- Call was held Monday, August 16, 2010, in Panama City, Florida, with Bobby Roberts, Roberts Financial Planning Services, John Dunaway, Miles Media Group, Ted Haney, Haney Financial Services, Gary Walsingham, William Harrison, and Rep. Jimmy Patronis
- What was learned:
  - Private claims process begins Monday, August 23, 2010; appears BP claims process has slowed in anticipation of this start.
  - Perception and “brand” damage have been biggest issue for area.
  - Many businesses have survived summer, but, in many cases, nothing available to survive winter.
- Areas for follow-up:
  - Additional discussions with BP regarding “brand” damage.

In addition, the workgroup:

- Began evaluation of information gathered through conference calls/meetings.
- Updated agency actions/outcomes.
- Determined through Dept. of Health that no more beach oil-spill warning signs remain up in the Panhandle.
- Received Panhandle tourism plans for funds available for use through September 30, 2010.
- Researched process for possible re-opening of red snapper fishing season.
- Researched Dept. of Children & Families use of \$3 million grant for counseling services.
- Began first draft of Workgroup report.

### **III. Week 3 (August 9-13)**

- a. Meet with impacted businesses and individuals in Panhandle, if possible, and evaluate responses and resources deployed to those affected parties.
- b. Conduct conference calls with Visit Florida, Inc., and local organizations which received funding for tourism response. Evaluate the use and deployment of BP funds and the use and deployment of current budget in the tourism response.

### ***Summary of Week 3 Activities:***

State agency appropriations expenditures related to the oil spill were updated and posted on the [workgroup's resource page](#). The workgroup also organized six conference calls with various entities. In addition, workgroup staff interviewed approximately 70 panhandle businesses in industries that may have been impacted by the oil spill and is currently compiling those responses.

Workgroup staff also learned from Visit Florida's contractor that the occupancy rate in April for the Florida Panhandle was 55.2%, up from last year's 52.2%. In March, the comparable figures were 58.2%, compared to last year's 56.1%. In May for the Florida Panhandle occupancy was running about 54.1%, compared to last year's 51.7%. For the state as a whole, the occupancy rate was 57.0%, compared to last year's 54.3%. In June, Visit Florida's contractor indicated that the occupancy rate for the Florida Panhandle was running about 66.3%, compared to last year's 62.7%

Information from each conference call may be found below:

#### **Federal Small Business Administration (SBA)**

- Call held Tuesday, August 10, 2010 with Ralph Ross, Deputy District Director, Jay McKenna, and Kathy Cook, both also with the SBA
- What was learned:
  - SBA has provided economic injury loans during the crisis. Usually provides physical injury loans.
  - Loan information-Loans based on repayment ability. Low interest, working capital loans funded out of the federal treasury. Initial payments deferred 11 months. To date-Florida: 46 loans for a total of \$4.6 million issued, 100 declined; Alabama: 34 loans for a total of \$3.9 million issued; Mississippi: 22 loans for a total of \$1.8 million issued; Louisiana: 130 loans for a total of \$9.9 million issued.
  - Loans available in 8 Florida counties through some SBA offices, although not co-located with SBDCs, and usually approved in 18 days. No flexibility in review of business application criteria even though already in midst of economic recession. Only Congress can change program.
  - Fishing and hospitality businesses have applied for loans.
- Areas for follow-up:
  - Consider recommending program changes through Congressional action to provide more flexibility in loan criteria.

#### **Tourist Development Entities**

- Call was held Tuesday, August 10, 2010, with Walton County Tourist Development Council (Dawn Moliterno), Pensacola Bay Area Convention and Visitors Bureau (Ed Schroeder), and Santa Rosa Tourist Development Council (Kate Wilkes)
- What was learned:
  - **Walton County reported** that tourism was down 2% in May and down 7% in June as compared to those months last year. July figures aren't available yet but expected to be same as June. This was much better than the 35%

decline originally anticipated and was not affected by relief workers since they lodged outside the county.

- Walton County received 2 BP grants of \$1.35 million each. The round 1 grant was spent on advertising and round 2 on gift cards.
- Walton County is experiencing significant impact from the offering of a \$250 gift card for local shopping or travel on Southwest airlines if visitors stay 3 nights in their area. This was funded by \$1.3 million in round 2 BP funding. The county reports that the Visitors Center and lodging partners are enthusiastic about the response to this offering.
- Department of Health (DOH) has posted metal signs at the entrance to 66 beach fronts in the county which warn visitors of possible negative health impacts from the beach. Walton County reported that some visitors leave after reading the signs upon arriving at the beach.
- **Pensacola reported** that tourism in the county, as compared to the same months last year, in June was down 30% (down 15% lodging, however, this was helped by the lodging of oil spill workers); July is anticipated to be down 30 to 40%; August is anticipated to be down 40 to 50%.
- Pensacola reported that the round 1 BP funding for advertising is almost complete. Pensacola is using ½ of their round 2 funding (\$1.4 million total for round 2) from BP to provide AMEX gift cards (\$100/night) to visitors with a qualifying 1-2-3 night stay in local lodging. The other ½ of the funding is to be used for a concert by a major national talent (e.g. Beach Boys, Jimmy Buffet) to attract visitors.
- **Santa Rosa reported** that tourism, as compared to the same months last year, in May was down 10%, June was down 17%, and July was down 31%. August and September are expected to be better because of round 2 funded rent vouchers. It was noted that these are countywide percentages and that the beaches alone are hit harder (e.g. June on beaches is down 31%).
- Round 1 funding was used to advertise and promote to their market. Round 2 funding was used to provide vouchers for lodging rent assistance. The funds will provide ½ of the rent for reservations with minimum of 2 night stay in the county. This program is going well and all funds are expected to be spent.
- Areas for follow-up:
  - Request DOH to provide information on Health Impact signs erected at beach access points in Walton, Escambia and Okaloosa counties.
  - A long-term planning effort is needed to address the “brand damage” which has occurred from the oil spill disaster. The counties would like a longer conversation with BP about sustainability.

#### **Department of Agriculture and Consumer Services, Department of Children & Families, Department of Health**

- Call was held Tuesday, August 10, 2010, with staff of the three departments
- What was learned:
  - **Department of Agriculture & Consumer Services (DACS)** has been involved with aquaculture, food safety inspection, and marketing.

- DACS indicated that, after sampling, it appears that oil had no impact on food safety.
- DACS is conducting ongoing marketing campaign regarding Florida Safe Seafood
- **Department of Children & Families (DCF)** has been involved with eligibility determination for public assistance (food stamps, cash assistance and Medicaid services) and mental health crisis counseling.
- Through August 10, DCF has received 563 requests for public assistance related to the oil spill based on self-reported information (not independently verified).
- DCF has requested \$4.7 million for crisis counseling services to be paid by BP and has also requested \$334K from BP for additional eligibility determination workers to staff public assistance call centers
- DCF has provided 75 children in Pensacola area with summer camp experience using stimulus funds and would like reimbursement from BP.
- **Department of Health (DOH)** has been involved with beach/health advisories on exposure to oil.
- DOH also reported that through August 6, the Poison Control Center Network provided information to more than 400 residents and health care practitioners regarding toxic exposure.
- DOH has seen a short-term increase in numbers of patients provided primary care services in affected counties
- DOH provided health assessments through EMS division for beach workers.
- DOH has downgraded health advisories to oil impact notices, is working with the University of Florida and Surgeon General to expedite health risk assessments so that beach signage can be removed, and is developing benchmarks for swimming advisories.
- Areas for follow-up:
  - The effects on Florida seafood sales and a breakout of public assistance provided.

#### **Tourist Development Entities:**

- Call was held Wednesday, August 11, 2010, with Franklin County Tourist Development Council (Curt Blair) and Gulf County Tourist Development Council (Tim Kerrigan) (Wakulla County and Panama City Beach Convention Bureau were invited but unable to join the call)
- What was learned:
  - **Gulf County reported** that tourism, as compared to the same months last year, is down 15% for the summer months and that future bookings are down 50%.
  - Gulf County received 2 rounds of BP funding and spent the first round on advertising and marketing. This also included updates to internet sites and live webcams.
  - Round 2 funds from BP are going to be used for possible area concerts, insurance policy (prize) on tagged fish in conjunction with the Fish and Wildlife Commission, voucher programs for return stay visitors and gift

cards to use with local businesses. Concern was expressed that the time allotted to implement round 2 funds may be insufficient as it takes more time than 30 days to plan and advertise events such as concerts.

- **Franklin County reported** that June and July lodging was strong. This partly due to BP workers in their county. August information is not available yet and expect September and October to be weaker than previous year.
- BP funding from rounds 1 and 2 have had a positive effect for the county, but reported that funds would be better targeted to tourism infrastructure rather than impulse response.
- Areas for follow-up:
  - Review the possibility of an email data base of people who have previously visited and lodged in N.W. Florida counties which could be used to send a common message in promotions of tourism for these counties and/or a mailer coupon to visitors from past years.

### **Pensacola Business Leaders**

- Call was held Wednesday, August 11, 2010, with Buzz Ritchie, President of Gulf Coast Community Bank and former Majority Leader for the House of Representatives; Garrett Walton, Heron's Forest Development Company/L&R, L.L.C. and the Florida Transportation Commission; and Collier Merrill, Great Southern Restaurant Group and Merrill Land Company
- What was learned:
  - Impact on industries - Charter fishing has suffered greatly and banking industry is cause for concern through a ripple effect of impact related to tourism. One of the larger employers is BP and BP will be leaving soon which may have a negative effect on employment. Realtors complained that the media has caused a false perception of the condition of the northwest Florida coastline. The real estate agents are experiencing cancelled contracts and believe property values are declining in addition to the economic decline.
  - Northwest Florida tourism is a summertime industry and most small businesses support themselves from the summer months of June, July, and August. The reality of the oil spill was not a perception issue in these areas, oil was on the beaches. The negative media coverage has hurt businesses and there may be no chance to recover this season.
  - Assistance-State emergency bridge loan program helped area businesses stay viable. Every bank was aggressive in notifying businesses of the bridge loan opportunity. The Small Business Development Center at the University of West Florida also assisted small businesses in filling out BP claims. The Florida Institute of CPAs was recruited to give assistance to small businesses with the complexity of issues in the claims process.
  - Federal response-There is a continued need for the federal government to keep BP in the area to clean beaches and monitor the environmental issues.
  - State response-The state allocated funds from BP for positive marketing through the Tourism Development Councils (TDCs). The TDCs from seven counties were able to create a formula to share funds. The

Department of Children and Families partnered with Lutheran Services to help children hearing about the disaster. There is concern about an increased need and costs for social services in the areas of food stamps and counseling.

- Areas for follow-up:
  - The legislature could prompt BP to take care of claims from cities and counties. Property values and sales continue to be an issue.

#### **Visit Florida, Inc. and Panama City Beach Convention & Visitors Bureau**

- Call was held Thursday, August 12, 2010, with Visit Florida, Inc., Chris Thompson, CEO, and Dia Kuykendall, Public Affairs Manager, and Panama City Beach Convention & Visitors Bureau, Dan Rowe, executive director
- What was learned:
  - **Visit Florida** stated that addressing perception and separating perception from reality in regards to the oil spill was their priority issue.
  - Visit Florida board released \$2 million from their Emergency Risk Fund to begin addressing the marketing issues from the oil spill. Advertising on TV, radio and newspapers began. Visit Florida later received \$7.15 million from round 1 of BP funding. Additional advertising on radio and national cable channels was continued and inquiries were directed to Visit Florida's website for real time updates. \$4.2 million was received from the second release of the BP funds. Visit Florida partnered with Florida Fish & Wildlife since seafood and fishing were areas that were also affected. Advertising with the travel trade was conducted giving geography lessons and promoting the real time information on the website. Visits to the website increased 50% in June.
  - Visit Florida has not filed a claim with BP for the \$2 million spent from the Emergency Risk Fund, which may qualify as a reimbursable claim.
  - Marketing next spring, 2011, is now the focus.
  - **Panama City Beach reported** that since Panama City Beach is a summer destination for youth amateur sporting events, these events helped to mitigate some of the potential losses in tourism since these events went on in spite of the oil spill.
  - Innovative promotional strategies included digital bill boards in the Southeast which had daily pictures of the beaches uploaded. Shifted to an event driven summer – the summer of fun, and created new events and marketed them in a short period of time.
  - The first round of funds from BP to Panama City Beach was \$2.2 million and the second round was \$1.4 million. The funding was not used for lodging vouchers, since people might limit their spending in other areas. Instead, AMEX gift cards were provided as the incentive for tourism.
- Areas for follow-up:
  - Because funding had to be used in a short time, it may not be the most effective use of funds. It was suggested that more strategic near-term and mid-term funds would be more beneficial.

#### IV. Week 2 (August 2-6)

- a. Conduct conference call with the Federal Administrators of the Small Business Administration's Economic Injury loans to review the level of use and response by affected businesses.
- b. Conduct conference call with the Governor's Office of Tourism, Trade, and Economic Development to obtain overview of state response and resources deployed.
- c. Conduct conference call with Enterprise Florida, Inc. to review response to business needs in impacted areas.
- d. Conduct conference call with the state administrator of the Emergency Bridge Loan Program to review the level of use and response by affected businesses.
- e. Conduct conference call with the statewide president of the Small Business Development Center Network to evaluate local response coordination and resources deployed within the affected communities.
- f. Begin conference calls with state agencies including the Department of Environmental Protection (DEP), the Division of Emergency Management, and the Fish and Wildlife Conservation Commission to review responses.
- g. Conduct conference calls with the Agency for Workforce Innovation, Workforce Florida, Inc., Department of Children and Families, Department of Health, and the Department of Agriculture and Consumer Services to review state responses to individual needs such as unemployment and family assistance programs.
- h. Conduct conference calls with other state agencies such as the Department of Transportation, Department of Highway Safety and Motor Vehicles, Department of Management Services, Department of State, and the Department of Financial Services which have provided various levels of response to communities and individuals.
- i. Meet with impacted businesses and individuals in Panhandle, if possible, and evaluate responses and resources deployed to those affected parties.

#### *Summary of Week 2 Activities:*

State agency appropriations expenditures related to the oil spill were updated and posted on the [workgroup's resource page](#). The workgroup also organized six conference calls with various entities and participated in two conference calls with Workgroup 1.

Information from each conference call may be found below:

#### **Florida First Capital Finance Corporation, the state emergency bridge loan administrator**

- Call was held Tuesday, August 3, 2010, with Todd Kocourek, President
- What was learned:
  - Loans in this crisis were for economic injury rather than physical damage as has been the case in previous disasters (hurricanes, wildfires).
  - Bridge loan requires actual "bridge" to a BP claim, an SBA loan, or business interruption insurance policy.



- A variety of businesses have utilized the bridge loan program, including fishing operations, seafood processors, marinas, and tourism businesses such as hotels and tour operators.
- However, by July 30, 2010, only 84 applications had been received with 72 approved for a total of \$1.77 million out of \$5 million available.
- Areas for follow-up:
  - No gaps seen in program at this time. See gaps in Federal SBA loans and coordination with BP claims process.

#### **Small Business Development Center Network (SBDC)**

- Call was held Tuesday, August 3, 2010, with Jerry Cartwright, state director
- What was learned:
  - Since beginning of crisis, SBDCs have provided assistance on BP claims, SBA economic injury loans, and state emergency bridge loans.
  - Level of business assistance provided has varied widely from beginning of crisis, with a high demand at beginning and as far south as Key West, but demand has tapered off significantly.
  - Believes many businesses would prefer a BP claim which does not have to be repaid.
- Areas for follow-up:
  - Would like to see co-location of SBDCs with new Feinberg claims process.

#### **Agency for Workforce Innovation (AWI) and Workforce Florida (WFI)**

- Call was held Wednesday, August 4, 2010, with Cynthia Lorenzo, Director; Kevin Thompson, Finance and Administration; Tom Clendenning, Unemployment Compensation; Kevin Neal, Workforce, Michael Ayers, Chief of Staff; Larry Champion, Finance and Administration; Andra Cornelius, Business Competitiveness; April Money, Legislative Affairs
- What was learned:
  - AWI has worked to help businesses and people affected by oil spill through unemployment compensation (UC), labor market information, and workforce services.
  - AWI reported that only 142 verified claims of unemployment compensation due to the oil spill have been received to date. AWI has paid out a total of \$50,000 in claims.
  - WFI has assisted in matching BP oil spill jobs with applicants. BP advertised 15,000 positions and WFI referred 45,000 applicants.
- Areas for follow-up:
  - WFI is reviewing with BP how many of the 45,000 applicants were actually hired.
  - AWI is looking into data sharing with BP to compare UC claims with BP claims of lost wages.

#### **Governor's Office of Tourism, Trade, and Economic Development**

- Call was held Wednesday, August 4, 2010, with Karl Blischke
- What was learned:

- Worked closely with Enterprise Florida in reviewing and establishing state emergency bridge loan program.
- Has not needed to make an additional budget request for funds since only \$1.77 million has been used to date for bridge loans.
- No additional business assistance programs planned at this time.
- Areas for follow-up:
  - None identified at this time.

#### **Enterprise Florida (EFI)**

- Call was held Thursday, August 5, 2010, with Michael Preston, Al Latimer, and Liefke Cox
- What was learned:
  - EFI acted since beginning of crisis as point of information for the county economic development organizations and numerous other partners.
  - Also closely involved in initiating state emergency bridge loan program.
- Areas for follow-up:
  - EFI board meeting August 18, 2010, and may or may not have recommendations to provide regarding oil spill response.

#### **Division of Emergency Management (DEM)**

- Call was held Thursday, August 5, 2010, with David Halsted, Director; Angela Peterson, Policy and Finance Chief
- What was learned:
  - Emergency Operations Center had been at highest level alert 1 until August 3, 2010, when it lowered to level 2. Anticipates emergency response to oil spill will end in three weeks.
  - At the high impact of the oil-spill event, approximately 630 people statewide were activated for response and recovery.
  - As of today, DEM is reporting 438 people remain activated. This number will decrease significantly after Monday, August 9, 2010, when the division updates for the decreased response level.
- Areas for follow-up:
  - DEM preparing state and Federal after-action report

#### **Conference calls with Workgroup 1**

- Participated in Workgroup 1's August 4<sup>th</sup> conference call with officials from the Florida Department of Environmental Protection and the Florida Fish and Wildlife Conservation Commission.
- Participated in Workgroup 1's August 6<sup>th</sup> conference call with officials from the Florida League of Cities and the Florida Association of Counties.
- Will schedule follow-up contact with those entities.
- Additional information on these conference calls may be obtained in Workgroup 1's Work Plan/Summary of Activities.

### **V. Week 1 (July 26-30)**

- a. Review Federal, state and local response programs and resources deployed. Begin collating Federal, state and local funds and programs targeted for Florida.

- b.** Contact Federal, state and local administrators and establish timing and parameters of future conference calls to begin evaluating the response.
- c.** Contact impacted businesses and individuals and establish timing and parameters of future conference calls or in-person meetings to discuss the response.
- d.** Ensure state agency tracking of oil spill related expenses from current appropriations is occurring.

***Summary of Week 1 Activities:***

- Made contact with various Federal and State officials and sent Workgroup questionnaire as appropriate.
  - Small Business Administration
  - Small Business Development Center Network
  - Florida First Capital Finance Corp., State Emergency Bridge Loan Administrator
  - Governor's Office of Tourism, Trade, and Economic Development
  - Enterprise Florida, Inc.
  - Agency for Health Care Administration
  - Agency for Workforce Administration
  - Department of Agriculture and Consumer Services
  - Department of Children and Families
  - Department of Elder Affairs
  - Division of Emergency Management
  - Department of Environmental Protection
  - Department of Financial Services
  - Department of Health
  - Department of Highway Safety and Motor Vehicles
  - Department of Management Services
  - Department of State
  - Department of Transportation
  - Fish and Wildlife Conservation Commission
  - League of Southern Credit Unions
  - National Guard
- Began coordination of conference calls.
- Reviewed agency appropriations and tracking of oil spill expenditures.
- Publicly noticed and held conference call with Workgroup 2 members Thursday, July 29 at 12:30pm: introduced members and staff; discussed Workgroup tasks, work plan, and member assignments, discussed conference call procedures and future activity.